



197627

**Statement by U.S. Representative Jim McDermott
before the Surface Transportation Board's
hearing on Major Rail Consolidations**

March 8, 2000

Thank you for allowing me to testify today. I represent Seattle, Washington; both the city of Seattle and the state of Washington hold the distinction of being the most trade dependent city and state in our nation. Here with me today is Mic Dinsmore, the Executive Director of the Port of Seattle.

When I first learned of the proposed merger between Burlington Northern Santa Fe Corp. and the Canadian National Railway Company I couldn't help but reflect on the history of rail monopolies in this country and I am concerned about the potential impact will be of this particular merger.

The last several railroad mergers had varying results and created many challenges for ports, railroad customers and of course, the railroads themselves. It is critical that this body reviews future rail mergers very closely. I strongly urge that this review include as a priority the perspective of the communities who have contributed heavily to make the system work for their benefit and the benefit of others in the nation.

It is very important that merger's of this size be scrutinized very thoroughly. Railroad mergers, especially for my trade dependent district, are of major importance.

Over the years, through local taxes, citizens in my district have contributed hundreds of millions of their dollars to build facilities to accommodate international trade. These facilities, unlike other international trade facilities that depend on user fees or federal funding, are paid for almost exclusively by my constituents.

Washington State's citizens are willing to contribute huge sums of money to international trade facilities for a simple reason -- we receive huge benefits. About one in three jobs in the

Seattle area are *directly* linked to international trade. These are good paying family wage jobs, which on average pay 20 percent more than the average job in King County.

These investments are stationary. Port infrastructure, unlike other elements of the transportation network, cannot be moved once decisions are made to re-route international trade through a different gateway. The local investments that have been made become useless and the jobs, taxes, and business revenues that were created as a result of these investments vanish.

I want to invite you to visit the Seattle region to see first hand the benefit that International trade has created and how important the maintenance and expansion of that trade is to our community. I understand that Commissioner Burkes has already visited and I would like to invite Chairman Morgan and the rest of the board to do the same.

The impacts of the decision that you make here are significant and for the Seattle area, they will determine to a large extent, the future quality of life of our citizens. Please keep this in mind as you deliberate on future mergers.

Thank you.